

Exhibit 1



H&R BLOCK

H&R Block Privacy Policy Statement for Tax Services

Protecting your privacy is fundamental to the way H&R Block conducts business. Although new privacy regulations require financial institutions to inform you of their practices regarding the collection and use of your personal information, keeping client information confidential is nothing new to H&R Block. We have always known that privacy is important to you, and we are committed to safeguarding your personal information. This document explains the types of information we collect from you, and how we may use or disclose that information.

We may collect personal information about you from the following sources: (1) information we receive from your transactions and applications with us and our affiliates, such as information we use to prepare your tax return and credit card payment information; (2) contact information, such as your name, phone number, mail address and e-mail address, from forms and service inquiries; and (3) information we receive while you visit our Internet Websites and your Web browser interacts with us, such as time spent on our Web site, last Web page visited on our Web site and other information collected through Internet cookies.

With your prior written consent, we may use any information we obtain in order to prepare your tax return and disclose it to H&R Block affiliates so that you can receive selective information regarding any of the financial services offered by H&R Block affiliates as follows: mortgages, investments, banking, legal plans, insurance, estate planning and financial planning. Your income tax return information will not be used for other purposes, except to provide you with additional tax-related information and services, or except as otherwise required or permitted by law.

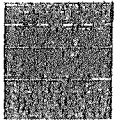
We may disclose any information we collect, as described above, to service providers to perform a service for us or perform a function on our behalf, or financial institutions with whom we have joint marketing agreements. These parties may also collect such information on our behalf. Examples could include processing contest entry forms, collating letters, managing information through Internet cookies or other technologies, or sending e-mails on our behalf. In cases where we use service providers, we restrict such service providers from using your nonpublic personal information except to act on our behalf or as required or permitted by law.

Your personal information will not be sold or rented to third party direct marketers. We may make other disclosures of any information we collect, as described above, as required or permitted by law. Such disclosures may include, without limitation, disclosures such as those to effect or process refund anticipation loans or other products or services that you request, to process credit card transactions, to permit auditing of account information, to comply with a subpoena or other court or government agency order, or made in the event of a sale or transfer of our business or assets. We treat information about our former customers in the same manner as information of existing customers.

The use of, and access to, your personal information by H&R Block is restricted to those employees who need to know that information to provide products, services or support to you. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information.

You may update your information or stop receiving further information about the promotions offered by H&R Block Tax Services by calling us, at any time, at 1-800-HRBlock (472-5625). We may, however, continue to provide you with tax information, additional tax return preparation services, and other information about your accounts and transactions with H&R Block.

Exhibit 2



H&R BLOCK®

tax, mortgage and financial services

Dear Instant Money Advance Loan Applicant:

Thank you for applying for an Instant Money Advance Loan. As you know, H&R Block does not approve or deny applicants for an Instant Money Advance Loan. Instead, the lender, HSBC Bank USA, N.A. ("HSBC"), is the entity which determines eligibility.

Regrettably, HSBC is unable to grant your request for an Instant Money Advance Loan at this time. A letter will be sent to you from HSBC with more specific details.

If you have any further questions regarding your loan denial, please write or call:

HSBC Taxpayer Financial Services
90 Christiana Road
New Castle, DE 19720
1-888-832-5625

Sincerely,

H&R Block

Exhibit 3



July 27, 2007

Tiffany C. Robinson

Redacted

Re: Case #2007- CONSC-00175804

Dear Ms. Robinson:

Thank you for your patience while we responded to the concerns you raised in your complaint to the Office of the Attorney General for the State of Illinois.

On February 2, 2007, our records indicate H & R Block notified us of an identity theft claim involving one of their employees. On February 6, 2007, we coded the account fraud, ceased collections on the account and notified the credit bureaus to remove the debt from your profile. We investigated your concerns and have confirmed with our collections department that they have ceased collection activity and that statements will not generate from this account. We have also contacted the credit bureaus to ensure the account is not reporting on your profile. We notified the Internal Revenue Service that you were a victim of identity theft.

If you have any additional questions or concerns, please contact the Loss Prevention Department at 800-409-6531.

Sincerely,

A handwritten signature in cursive script that reads "Gladys R. Hall".

Gladys R. Hall
Loss Prevention Department Manager
HSBC Bank USA, N.A. c/o HSBC Taxpayer Financial Services
90 Christiana Road
New Castle, DE 19720

cc: Office of the Attorney General
Consumer Fraud Bureau
500 South Second Street
Springfield, IL 62706

Exhibit 4

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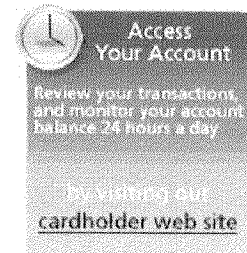
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- This year you could save money and avoid expensive check cashing fees with the H&R Block Emerald Card. Be sure to ask your tax professional how to take advantage of this great offer.



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Make purchases at millions of places that accept MasterCard debit cards - including stores, gas stations, restaurants, airlines and hotels, doctors' offices, and Internet merchants.

No Interest Charges

The H&R Block Emerald Card is not a credit card, which means purchase amounts are deducted from your H&R Block Emerald Card account balance.

Enhanced Security

Using your card is safer than carrying cash. The U.S. MasterCard Zero Liability* policy protects you against unauthorized purchases.



Get Cash

Cash Back with Purchase

This is a convenient way to withdraw cash from your **prepaid** card account when shopping, with no need to make a special trip to the ATM. Simply inquire if you can get cash back before the cashier calculates your purchase total. Many merchants will be happy to honor your request - usually with no added cost to you.

Cash Access

Use your card to get cash 24 hours a day at more than 1 million ATMs worldwide displaying a MasterCard brand mark. The fee is just \$1.85 per transaction when using ATMs in the U.S. and \$2.50 per transaction when traveling abroad.**



Add Money to Your Card

Get Access to your Payroll Faster

Avoid check-cashing fees by telling your employer to deposit future payroll directly to your H&R Block Emerald Card and have immediate access to your money on payday.

Approved Reload Networks

You can increase the available balance on your card whenever you wish by reloading it at participating retail locations through the MoneyGram®, Green Dot® and Western Union® networks. Find a reload location near you.

Easy Recordkeeping

You can review your transactions and check your available balance 24 hours a day at www.onlinecardaccess.com/hrblockcard or by calling 1-866-353-1266.

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Frequently Asked Questions About the H&R Block Emerald Card
Terms and Conditions/Account Agreement
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***ATM owner may charge an additional fee.*

The H&R Block Emerald Card™ may be covered by one or more of the following U.S. Patents: 7,072,862 and 7,177,829

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U.S. Patents: 5,706,442; 6,014,645; 6,131,115;
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7,032,008; 7,072,862; 7,127,425; 7,177,829;

7,310,617; 7,296,065. The products and services
on this website may be covered by one or more of
these patents.



Exhibit 5

January 3, 2003

Former H&R Block Manager Accused in Identity-Theft Ring

By ROBERT HANLEY

A former manager of an H&R Block office in White Plains and three of her friends have been charged with running an identity-theft ring that used the names of Block customers to obtain credit cards illegally and steal thousands of dollars in cash and merchandise, the authorities said yesterday.

At least 27 customers were victims of the scheme between July 2001 and the spring of 2002, according to a complaint by the United States attorney for the Southern District of New York, James B. Comey. A spokesman for the office, Marvin Smilon, said the investigation was continuing and the exact amount stolen had not been determined. The arrests were first reported yesterday in The Journal News.

William Kezer, the chief postal inspector in the New York region, said the scheme involved identity theft, a growing problem that he said victimizes about 750,000 people a year.

In many cases, Mr. Kezer said, people fall prey because they fail to safeguard information about themselves and their finances. "That is not the case with the victims of this fraud," he said in a statement. "A former H&R Block employee, entrusted with personal and financial information, victimized unsuspecting clients."

Mr. Kezer said the four suspects used customers' personal information to obtain credit cards and then make purchases and withdrawals from A.T.M.'s with them.

In a statement, H&R Block said it could not confirm that customers of its White Plains office had been victimized. The company said it provided information to postal inspectors about its office staff after they issued a subpoena for the information. Block said it requires subpoenas from investigating authorities before releasing private information about its customers and employees.

The complaint identified the former Block employee as Ivy Johnson, 27, of New Rochelle. Block's statement said she worked as a manager in the White Plains office from late December 2000 to late March 2001. The statement described her duties as "coordinating office operations."

A Block spokeswoman, Denise Sposato, said that Ms. Johnson had not prepared tax returns for customers, and that all data from tax returns was stored in computers.

The complaint did not explain how the customers' names had been obtained, but it said Ms. Johnson had supplied them to the other suspects. Some of the names were used in the summer of 2001 to obtain credit cards that were sent to mailboxes the suspects rented in New Rochelle and Scarsdale, the complaint said.

The names of others were used from February to April 2002 to obtain credit cards that the suspects diverted, through change-of-address notices filed with the post office, to two addresses in Mount Vernon, the complaint said. An \$8,000 tax refund check was found at one of the addresses, the complaint said.

A lawyer for Ms. Johnson, Susan Brody, said her client was innocent.

The three other suspects were identified as Latasha Edwards-Hamlett, 21, and Catherine Pointer, 27, both of New Rochelle, and Charles Griffin, 23, of Mount Vernon. All three have made statements about the plot, said Richard Tracy, a postal inspector, in the complaint.

The four suspects were charged on Dec. 18 with conspiracy to commit both mail fraud and credit card fraud, and each was released on a \$25,000 bond Dec. 19, Mr. Smilon said.

Exhibit 6

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O'Sullivan Creel handles a broad spectrum of our financial needs...they go way beyond just tax advice and we're a better business for it.

Joe Webb
Vice President, FormSystems, Inc.



May 22, 2008

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H&R Block employee fired, charged with identity theft

Erica Malston worked at two H&R Block offices in Pace and at Express Tax Service in Pensacola

Andrew Gant

Wednesday March 19th, 2008

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PACE — A former H&R Block employee was arrested Wednesday after investigators said she stole at least one customer's identity.

Erica Malston, 33, of Ashborough Court in Milton, is charged with two counts of grand theft, 13 counts of illegal use of a credit card, three counts of criminal use of personal identity information of another and two counts of forgery.

Lawmen say Malston worked at three tax services: Two H&R Block locations in Pace and an Express Tax Service in Pensacola.

She faces charges in three cases, said Santa Rosa County Sheriff's Office Sgt. Scott Haines.

Malston is accused of picking random customer files from a filing cabinet at work and using the customer's identity to obtain a prepaid MasterCard known as the "Emerald Card." Investigators say she used the card for personal purchases.

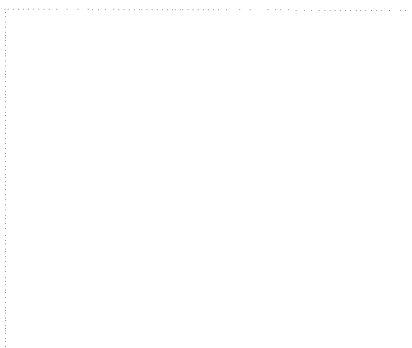
Victims learned about the fraud when they received the bills or filed tax returns, Haines said.

Malston's employers were not under investigation and Haines said they cooperated with the Sheriff's Office. He said Malston was fired when her employers learned of the allegations.

Malston was being held without bond at the Santa Rosa County Jail on Wednesday night. She was scheduled to appear in court today.

Investigators believe she used other identities, but they haven't tracked down those victims. Anyone who believes Malston used his or her identity may contact Sheriff's Detective Billy Wheeler at 981-2230.

Daily News Staff Writer Andrew Gant can be reached at 863-1111, Ext. 1432.



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DeFuniak Springs man killed in head-on collision 2882 views

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Comments:**"Pre-paid" By: pblaich - 01:15:11 am on March 19, 2008.**

If it was a "prepaid" master card what harm was done? Can't she only charge the amount she had prepaid?

sho nuff By: forgotmyum - 02:19:48 am on March 20, 2008.

pblaich can I borrow you info, so I can take over your life? I promise I'll be gentle. Until I change my mind.

Naw, she didn't do much... By: CandL45 - 05:14:44 am on March 20, 2008.

she only abused a position of trust, exposed customers financial information to who knows what dangers, cast a dark pall over her employers hiring standards. No, no harm was done. She should be forbidden from working in any area dealing with anyones personal information after she gets out of jail.

???????????? By: CitizenX - 05:47:09 am on March 20, 2008.

This scenario does not make sense.

If you are going to purchase a "prepaid" card why do you need to use someone else's identity.

Maybe I do not understand what is this card.

What does filing a tax return have to do with a crd?

Maybe By: MSG - 06:28:04 am on March 20, 2008.

just maybe she used the cards with others names for purchases she did not want hubby to find out about?

Signing with someones elses signature is forgery...

Wonder why merchants never ask for ID any more when you use a credit/debit card?

Perhaps the next 'sting' can highlite that area now that merchants will be carding all beer buyers!

Prepaid Card By: kc_chuckie - 06:32:44 am on March 20, 2008.

In case your wondinger what she was doing with a prepaid card is that H&R is offering to put your tax return on a prepaid mastercard, so she was simply taking others peoples tax returns via a prepaid card and going on a spending spree.

Ahhh By: MSG - 06:38:14 am on March 20, 2008.

Now we see, said the blind man who picked up his hammer and saw...That makes sense.

hehe floks cannot wait to get that big money back and spend it. Epitome of instant gratification. Myself, I'll wait for the check to come in.

Shame on her ! By: Huntman - 06:51:56 am on March 20, 2008.

What is this world coming to ? We cant even trust the tax lady , Did this Bimbo think she was going to get away with steeling from a customer ? Shes right where she needs to be .

What a shame... By: Niceville Guy - 08:07:14 am on March 20, 2008.

What's the world coming to when you can't trust an employee of a company that will make you a high-interest loan on money that you already loaned to the government interest free?

NEW FEATURE:

Are you tired of waiting for your comments to post? Wouldn't you rather have them posted to the story immediately? Posting comments to stories has never been easier. Sign up is quick and easy. See below for details.

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Views: 1428

Exhibit 7

Cheapest Gas for the Weekend, Click Here



INVESTIGATORS: Tax Refund Scam

Last Update: 2/20 12:38 pm



A LOCAL WOMAN SAYS SOMEONE AT H&R BLOCK STOLE HER ID, FILED A FAKE RETURN AND TOOK OFF WITH \$4000.

LIKE MANY IN MICHIGAN MARIA MENDOZA WAS COUNTING ON HER TAX REFUND TO GET HER THROUGH THESE TOUGH TIMES.

SHE PLANNED TO USE THE MONEY TO PAY BILLS AND CARE FOR HER GRAND KIDS.

BUT NOW SHE'S BEHIND ON HER MORTGAGE AND TRYING TO FIND OUT HOW THIS HAPPENED.

MARIA MENDOZA SAYS H&R BLOCK HAS BEEN PREPARING HER TAX RETURNS FOR YEARS.

Maria Mendoza/victim of ID fraud: "Probably the past 10 or so years."

BUT THIS YEAR SHE PLANNED TO DO THEM HERSELF.

SO WHEN SHE GOT A CALL FROM H&R BLOCK SAYING SHE

NEEDED TO COME BACK TO THE OFFICE TO TAKE CARE OF SOME PAPERWORK WITH THIS YEAR'S RETURN SHE WAS STUNNED SINCE SHE HADN'T BEE IN THIS YEAR.

Maria Mendoza: "I was shocked. I said I wasn't in."

IT DIDN'T TAKE LONG FOR THE COMPANY AND MARIA TO REALIZE SOMEONE ELSE HAD FILED HER TAXES USING INFORMATION FROM A PREVIOUS YEAR'S TAX RETURN.

Maria Mendoza: "I can't believe it happened. You think that your information is safe and it's not."

SO WHY FILE A TAX RETURN IN SOMEONE ELSE'S NAME? TO GET INSTANT ACCESS TO THEIR REFUND. WHEN H&R BLOCK PREPARES YOUR TAXES, FOR A FEE YOU CAN GET A DEBIT CARD. THE CARD IS BASICALLY A LOAN IN THE AMOUNT OF YOUR REFUND AND CAN BE USED IMMEDIATELY AT MOST ATM'S. THE LOAN IS REPAID WHEN THE IRS RELEASES YOUR REFUND TO H&R BLOCK.

WHOEVER FILED THE FALSE RETURN IN MARIA'S NAME HAD ABOUT \$4000 ON A H&R BLOCK DEBIT CARD...AND WITHDREW IT ALL IN JUST TWO DAYS.

Maria Mendoza: "I filed a police report for identity theft."

THE WOODHAVEN POLICE ARE STILL INVESTIGATING AND CAN'T COMMENT. BUT THEY SAY THE TAX RETURN WAS FILED BEFORE THE H&R BLOCK OFFICE OPENED FOR BUSINESS.

MARIA WANTS ANSWERS AND HIRED AN ATTORNEY.

Adam Taub/Attorney: "It appears that it was somebody who knew what they were doing, who knew the system at H&R Block and was able to do this very, very quickly.

ATTORNEY ADAM TAUB REPRESENTS VICTIMS OF IDENTITY THEFT.

Adam Taub: "...this is a terrible violation of her personal financial privacy."

TAUB SAYS HE WANTS H&R BLOCK TO RESOLVE THIS FOR MARIA QUICKLY.

Adam Taub: "...all the people that had to be asleep at the switch for this to happen it's mind boggling.

MARIA SAYS SHE HASN'T SLEPT MUCH SINCE THIS HAPPENED. SHE WORRIES ABOUT WHAT OTHER DAMAGE COULD BE DONE IN HER NAME. AND SHE CAN'T EVEN FILE HER REAL TAX RETURN. SHE TRIED ONLINE AND THE IRS REJECTED IT SAYING IT ALREADY HAS THIS YEAR'S RETURN...ALSO,

SHE CAN'T GET THE \$4000 REFUND SHE WAS DESPARATELY COUNTING ON TO PAY BILLS AND CARE FOR HER FAMILY.

Maria Mendoza: "I take care of my grand children a lot and help support them. So, that money is a big, big, was going to be a big part of our lives."

H&R BLOCK DECLINED TO GO ON CAMERA BUT IN A WRITTEN STATEMENT SAID THEY'RE "WORKING DILIGENTLY WITH LOCAL AUTHORITIES", THAT THIS IS AN "ISOLATED CASE" AND THEY HAVE RELIEVED MARIA OF "ANY RESPONSIBILITY FOR THIS DEBT" ON THE H&R BLOCK DEBIT CARD.

IDENTITY THEFT EXPERTS SAY WE'RE ALL VULNERABLE AND NEED TO PROTECT OUR PERSONAL INFORMATION. THE BEST WAY IS TO CHECK YOUR CREDIT REPORT ONCE A YEAR FOR ANY LOANS OR OTHER CREDIT TAKEN OUT IN YOUR NAME.

FOR HOW TO GET A FREE CREDIT REPORT GO TO <https://www.annualcreditreport.com/cra/index.jsp>

More Detroit Mayor Investigation Articles



Mayor Appoints Lawyers for Governor Inquiry

As Michigan Governor Jennifer Granholm reviews a request by Detroit City Council to remove Mayor Kwame Kilpatrick from office, the mayor has appointed two lawyers to represent him in the proceedings. [Watch Video](#)



Mayor: Family a Blessing, Job Not Difficult

In an interview with WXYZ's Val Clark, Detroit Mayor Kwame Kilpatrick says his family has been a blessing amid the text-message scandal and despite the pressures it's "not very difficult" to continue serving as mayor. **INSIDE: Watch the interview** [Watch Video](#)



Admonished by Judge, Mayor Denies Blame

A day after a judge lashed out upon learning Detroit Mayor Kwame Kilpatrick had skipped a court hearing and taken a trip to Texas, the mayor tells WXYZ the uproar "had nothing to do with me." **INSIDE: Watch Mayor Kilpatrick's comments** [Watch Video](#)

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Exhibit 8

LOCAL 

H&R Block Employee Stole Woman's Identity

Thursday, March 27, 2008

WTVG -- A local woman says someone at H&R Block stole her identity, filed a fake tax return, and then took her money.

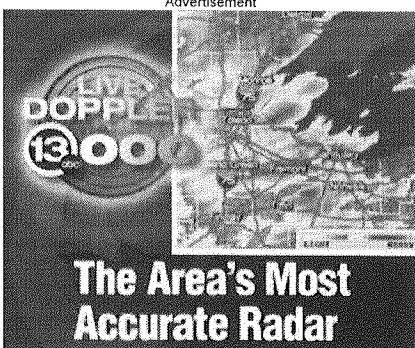
A local woman says someone at H&R Block stole her identity, filed a fake tax return, and then took her money. Toledo police are investigating 2 theft reports from H&R Block's Main Street and one from its Glendale Avenue locations. As thousands of people are about to file their tax returns, H&R Block reports they suspect a former employee of identity theft.

Like many struggling families, Theresa Barnhart was counting on her tax return. "There's 2 credit card bills that we were paying and then going to like I said Disney," says Barnhart.

But the mother won't get her tax return in a timely fashion. She says last week when she filed her tax return she was stunned to learn someone from H&R Block on Main Street had filed her taxes using her information from a previous year.

[Story continues below](#)

Advertisement



"An employee called me back and let me know it was indeed a case of fraud," says Barnhart. "You think you're protected, and you're not."

Yesterday, H&R Block filed a report with police, stating a former employee used H&R Block's client's identity, "Filing tax returns using H&R Block pre-paid credit cards." The report states the employee suspected of scamming customers was fired.

Here's how the scam works: police say H&R Block prepares your taxes. For a fee, you can get a prepaid debit card. The card is basically a loan in the amount of your refund. The loan is re-paid when the IRS releases your refund to H&R Block. Barnhart says whoever filed the false return in her name got \$7,063.

"I've never heard of anybody getting that kind of money," explains Barnhart. "I was livid!"

She says she can't get a refund until the investigation is complete. H&R Block won't talk about its investigation, but released this statement:

"We will provide whatever assistance we can to the taxpayer to help alleviate the difficulties she has encountered." A response this former customer is not happy with.

"It disturbs me quite a bit, and I think everyone should know you're not safe-guarded by any means," says Barnhart.

Toledo police are interviewing people, but have not filed any charges against anyone.

Exhibit 9

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A taxing identity theft risk

Patricia Sabatini - PITTSBURGH POST-GAZETTE

When attorney Robert Chastain walked out of the restroom a few weeks ago at the Wal-Mart Superstore in Beaver Falls, Pa., he couldn't believe his eyes.

He was staring at a computer screen inside a temporary H&R Block tax booth. A customer's address, Social Security number, date of birth and other personal data were in plain view of passers-by.

"Frankly, I about keeled over in disbelief," Chastain said. "It was everything you would need to walk away with someone's identity."

Sensitive about security and privacy issues because of his work as general counsel and partner at the Pittsburgh technology services company Ceeva Inc., Chastain said he wanted to find out if IDs were up for grabs at other H&R Block booths. So he had a few student interns visit a half-dozen other Wal-Marts in the region.

Not all the tax booths had customers at the time. And several Wal-Marts were leasing space to another large tax preparer, Jackson Hewitt, which was using extensive privacy partitions, making it difficult to snoop without being noticed.

But the same privacy breach popped up at another area H&R Block booth where "undercover" intern Stephanie Tapp said she had a clear view of a tax return from a seat at the Wal-Mart snack bar about a foot away.

Later, Tapp said, with the customer gone, the tax preparer put on her coat and left the booth with the private data still on the screen.

"I could have walked in and sat down, and I don't think she ever would have noticed," Tapp said.

That made Chastain cringe.

"If you have H&R Block booths at Wal-Marts across the country, someone is going to lose some information," he said. "If you're a victim of identity theft, you know how devastating it can be. If one person's life is devastated, that's one too many."

At H&R Block, spokeswoman Denise Sposato said she found it "hard to believe" that anyone could spy on personal information.

In developing the prototype for the Wal-Mart kiosks, installed for the first time this tax season, H&R Block's compliance officer "extensively" evaluated privacy issues, Sposato said.

The booths, which have been set up inside nearly 600 Wal-Mart stores nationwide, "are fairly private," she said. Employees at the kiosks follow "strict guidelines" for protecting client data, although Sposato said she couldn't discuss those guidelines publicly.

Tapp said no privacy screens were being used when she was there. Chastain said none were being used at the Beaver Falls location, either.

Linda Foley, executive director of the Identity Theft Resource Center in San Diego, calls the apparent privacy lapses "extremely disturbing."

"Tax season is always an eager time for identity theft anyway," she said. "This is a national company that understands the risks."

Not only should the kiosks be properly protected from prying eyes, Foley said, but they also should be private enough to stop potential thieves from overhearing conversations.

"Identity thieves will find out where companies are that are careless and take advantage of the situation," she said.

According to Foley, an identity theft victim herself, the average ID theft victim spends about 600 hours and \$1,400 sorting out the mess, not to mention the strain of lost wages and untold aggravation.

For its part, Wal-Mart, the nation's biggest retailer, left any action up to H&R Block.

"Of course we don't want any identity theft happening in our stores," spokeswoman Suzanne Haney said. "But they lease space; so you need to talk to H&R Block."

Chastain has filed a complaint with the Federal Trade Commission, contacted consumer groups and is trying to warn anyone who will listen.

"It's an issue people need to have a better grasp on, and they don't," Chastain said. "In my opinion, it's only going to grow."

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